

Citibank, N.A.
333 West 34th Street, 2nd Floor
New York, NY 10001



Execution Copy

May 9, 2003

Insured Transaction

New Jersey Turnpike Authority
P.O. Box 1121
191 Route 18 North
New Brunswick, NJ 08816

Ladies and Gentlemen:

The purpose of this letter agreement is to confirm the terms and conditions of the transaction (the "Transaction") entered into between Citibank, N.A., New York ("Party A") and New Jersey Turnpike Authority ("Party B") on the Trade Date specified below. This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below. Upon the issuance of the Swap Insurance Policy, this Transaction shall constitute an "Insured Transaction" as defined in the Master Agreement specified below and shall therefore be subject to the special provisions of the Master Agreement which apply to Insured Transactions.

The definitions and provisions contained in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., the "Definitions") are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation shall supplement, form a part of, and be subject to, the Master Agreement, dated as of May 9, 2003, between Party A and Party B (the "Agreement"). All provisions contained in such Master Agreement will govern this Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purposes of this Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Trade Date:	May 9, 2003
Effective Date:	Shall be at the discretion of Party B, (i) Effective Date Option 1 with one Business Day prior notice or, (ii) absent such notice, Effective Date Option 2.
Effective Date Option 1:	July 9, 2003
Effective Date Option 2:	December 17, 2003
Termination Date:	January 1, 2024
Notional Amount:	Initially USD 50,000,000, thereafter amortizing per the

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NYB 1413685.7

Amortization Schedule set forth in Annex I hereto.

Calculation Agent: Party A

Business Days: New York

FIXED AMOUNTS:

Fixed Rate Payer: Party B

Fixed Rate: Shall be determined by the relevant Effective Date, as per the schedule below:

Effective Date Option 1: Fixed Rate Option 1

Effective Date Option 2: Fixed Rate Option 2

Fixed Rate Option 1: 3.4486%

Fixed Rate Option 2: 3.5046%

Fixed Rate Day Count Fraction: 30/360

Fixed Rate Payer Payment Dates: The first Business Day of each calendar month from and including the first calendar month following the applicable Effective Date to and including the Termination Date.

FLOATING AMOUNTS:

Floating Rate Payer: Party A

Floating Rate: (i) From and including the Effective Date to and including January 1, 2015, the lesser of (a) the Bond Rate (as defined in paragraph 4 below) and (b) 63.00% of the Floating Rate Option plus the Spread and (ii) after January 1, 2015 to and including the Termination Date, 63.00% of the Floating Rate Option plus the Spread; provided, however, that any time before the Effective Date, Party B has the option, with not less than one Business Day prior written notice to Party A, to elect to have the Floating Rate be 63.00% of the Floating Rate Option plus the Spread, which shall thereafter be the applicable Floating Rate for all purposes hereunder.

Floating Rate Option: USD-LIBOR-BBA, provided that the words "on the day that is two London Banking Days preceding that Reset Date" contained in the definitions of USD-LIBOR-BBA and USD-LIBOR-Reference Banks in Section 7.1 of the Definitions shall be replaced with "on the immediately preceding Floating Rate Determination Date, or if such date is not a London Banking Day, the preceding London Banking Day".

Spread: 0.20%

Designated Maturity: One month

Floating Rate Day Count Fraction: Actual/360

Floating Rate Payer Payment Dates: The first Business Day of each calendar month from and including

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the first calendar month following the applicable Effective Date to and including the Termination Date.

Floating Rate Reset Date: Each Thursday, subject to adjustment in accordance with the Following Business Day Convention.

Business Days: New York

Compounding: Inapplicable

Method of Averaging: Weighted Average

Floating Rate Determination Dates: Each Wednesday during the Calculation Period, except that the initial rate shall be that rate determined for the Wednesday immediately preceding the Effective Date.

Advisory Fee: On behalf of Party B, a fee of USD 45,000.00 is being paid by Party A in respect of this Transaction. Such fee is equal to the present value of approximately 0.71 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Effective Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by Party B hereunder.

This fee will be payable upon the direction of Party B to only one of the following entities:

- 1) Windsor Financial Group, or
- 2) Wachovia Bank, N.A., as Trustee, or
- 3) The State of New Jersey Treasurer's Office.

Advisor Fee Payment Date: May 16, 2003

3. **Additional Definitions.** For the purposes of this Transaction, the following terms shall have the meanings specified below:

"Bond Rate" means in respect of a Calculation Period or portion thereof, the rate of interest borne by the Bonds during such Calculation Period or portion thereof.

"Bonds" means the \$500,000,000 in aggregate principal amount of Turnpike Revenue Bonds (as defined in the Covered Indenture) to be issued under the Covered Indenture, as more particularly described and identified in a subsequent Series Resolution and/or Certificate of Determination authorizing such Turnpike Revenue Bonds.

4. **Account Details.**

Payments to Party A: Citibank, N.A. New York
 ABA # 021000089
 Account No. 00167679
 Financial Futures
 Reference: see lower left corner of this document

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Payments to Party B:

Revenue Fund
Fleet Bank
ABA/Bank No.: 021 200 339
Account No.: 039500012

If you have any questions regarding this letter agreement, please contact the Swap Operations Department in New York at 212-615-8606.

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Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us or by sending to us a letter substantially similar to this letter, which letter sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Yours sincerely,

CITIBANK, N.A., NEW YORK

By: 

Name: Scott L. Flood
Title: Vice President

Confirmed as of the
date first above written:

NEW JERSEY TURNPIKE AUTHORITY

By: 

Michael Lapolla
Executive Director

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ANNEX I
to Confirmation, dated May 9, 2003,
between Citibank, N.A., New York
and New Jersey Turnpike Authority

Amortization Schedule

<u>Reduction Date</u>	<u>Notional Reduction Amount</u>	<u>Notional Amount Outstanding</u>
1/1/22	\$16,075,000	\$33,925,000
1/1/23	\$16,675,000	\$17,250,000
1/1/24	\$17,250,000	-